

Director of
Central
Intelligence

Top Secret

b (3)

b (3)

b (3)

National Intelligence Daily

Tuesday
10 May 1990

b (3)

Top Secret

b (3)

Approved for Release
Date JUN-----1999--

285

Warning Page Deleted
B-3

b (3) ~~Top Secret~~
~~NOFORN-NOCONTRACT~~

Contents

Poland: Strike Deadlock Continuing	1
USSR: Delaying Talks on Interim Afghan Government	2
[REDACTED]	3
Belgium: New Government Faces Severe Problems	4
[REDACTED]	5
Notes	
b (1) b (3) [REDACTED]	6
b (1) b (3) [REDACTED]	6
b (1) b (3) [REDACTED]	7
Taiwan-USSR-Vietnam: Taipei Considering Direct Trade	7
b (1) b (3) [REDACTED]	8
Czechoslovakia: Inching Toward Social Liberalization	8
In Brief	9
Special Analyses	
USSR: Impact of Leadership Turmoil on Summit	10
Lebanon: Implications of Shia Fighting in Beirut	12
[REDACTED]	14

[REDACTED]
b (3)

~~Top Secret~~ b (3)
10 May 1988

~~Top Secret~~

b (3)

Soviet Reaction

In the only official Soviet comment on the unrest in Poland so far, Ministry of Foreign Affairs spokesman Gerasimov said last Thursday that the USSR regretted it but claimed that the fate of Poland's reform program had no bearing on Soviet reform efforts. Soviet media are focusing almost exclusively on statements by Polish authorities. They are also giving considerable play to Warsaw's claims that the strikes are not a threat to "socialism" but do threaten both economic reform and the welfare of Polish citizens.

The Soviets undoubtedly are disturbed by the implication that Polish workers are dissatisfied with reform-induced belt tightening and that economic reforms in the USSR may face similar difficulties in the next two years. Stressing the economic losses caused by strikes is presumably intended to send a message to Soviet workers about similar wage issues. By publicly adopting a handsoff attitude, the Soviets also hope to preserve the impression of a Bloc in which members handle their own affairs.

~~TOP SECRET~~
b (3)

~~Top Secret~~

b (3)

10 May 1988

~~Top Secret~~

~~NOFORN-NOCONTRACT~~

b (3)

POLAND:

Strike Deadlock Continuing

The Polish Government hopes divisions among striking workers and its war of nerves will bring the strikes to a close, but talks at the Gdansk shipyards remain deadlocked. [REDACTED] b (3)

The strikers appear to be divided over a regime proposal to establish a committee to adjudicate labor demands that would include representatives of the striking workers and defer their demand for immediate restoration of Solidarity's legal status. [REDACTED] b (3)
[REDACTED] Younger workers, [REDACTED], refused the compromise and vowed to continue holding out. The regime increased the pressure on the strikers to accept a compromise when Interior Minister Kiszczak reportedly promised a church negotiator that the recently jailed Solidarity leaders will be released if the Gdansk strike is settled peacefully. [REDACTED]

b (3)

Elsewhere in Poland, workers at the Ursus Tractor Factory near Warsaw tried to mount a strike yesterday. [REDACTED] b (3)

[REDACTED] The four-man strike committee and about 150 supporters called off their action last night after management apparently gave them security guarantees. [REDACTED] b (1) b (3)

b (3)

b (3) [REDACTED] The regime's hesitancy to use force at Gdansk, as it did at Nowa Huta, is encouraging labor defiance elsewhere. The regime will continue to try buying off workers with pay raises, but the episodic strikes are sure to increase arguments within the regime to use its special powers to move decisively—with force—to stop labor unrest. Such a decision would, however, further discredit the government's reconciliation program by once again showing that control rather than political compromise is the regime's primary goal. Such a use of force would also dramatically demonstrate that the regime lacks legitimacy and that its only claim to rule rests on force. [REDACTED]

b (3)

Ursus has been a hotbed of labor activism and was among the first plants to go on strike in 1980. The fizzling of the Ursus strike, in the absence of new strikes elsewhere, probably will deepen the sense of isolation among strikers at Gdansk. Ursus's location in Warsaw makes it readily accessible [REDACTED] thereby raising the ante of what happens there for both sides. [REDACTED] b (3)

b (3)

~~Top Secret~~

~~10 May 1988~~

b (3)

b (3)

~~Top Secret~~

b (3)

USSR:

Delaying Talks on Interim Afghan Government

Moscow is not objecting to negotiations on a new Afghan government under UN mediator Cordovez but apparently wants to delay them until it can assess the long-term prospects of the Kabul regime. [REDACTED] b (3)

The Soviet Government statement of 27 April said that the UN mediation efforts might be useful. [REDACTED] b (1) b (3)

[REDACTED] Pakistan has been urging the UN to implement an informal understanding among the parties to the Geneva accords that it would promote discussion of interim arrangements. [REDACTED] b (3)

b (3)

[REDACTED]

b (1) b (3)

The Soviets have insisted [REDACTED] that President Najibullah and his regime are a political and military force that require a strong, continuing role. Many Soviet officials have argued that resistance disunity will improve the regime's position and its chances for a coalition with resistance moderates, once Soviet troops begin to withdraw. They have also said Moscow does not want to see an extremist Islamic regime in power, claiming such a government would be detrimental to Western as well as to Soviet interests. [REDACTED] b (3)

b3

[REDACTED] Moscow's attempt to delay negotiations may reflect unwillingness in Kabul to offer genuine power sharing to the resistance. The Soviets may fear that further pressure will reduce the regime's cohesion. [REDACTED] b (3)

Moscow, however, probably wants time to assess the performances of its client and of the resistance, once the withdrawal is under way. The Soviets may also hope, by playing on international distaste at the prospect of another Iran in the interim, to strengthen Kabul's hand by the time negotiations are held. [REDACTED] b (3)

~~Top Secret~~

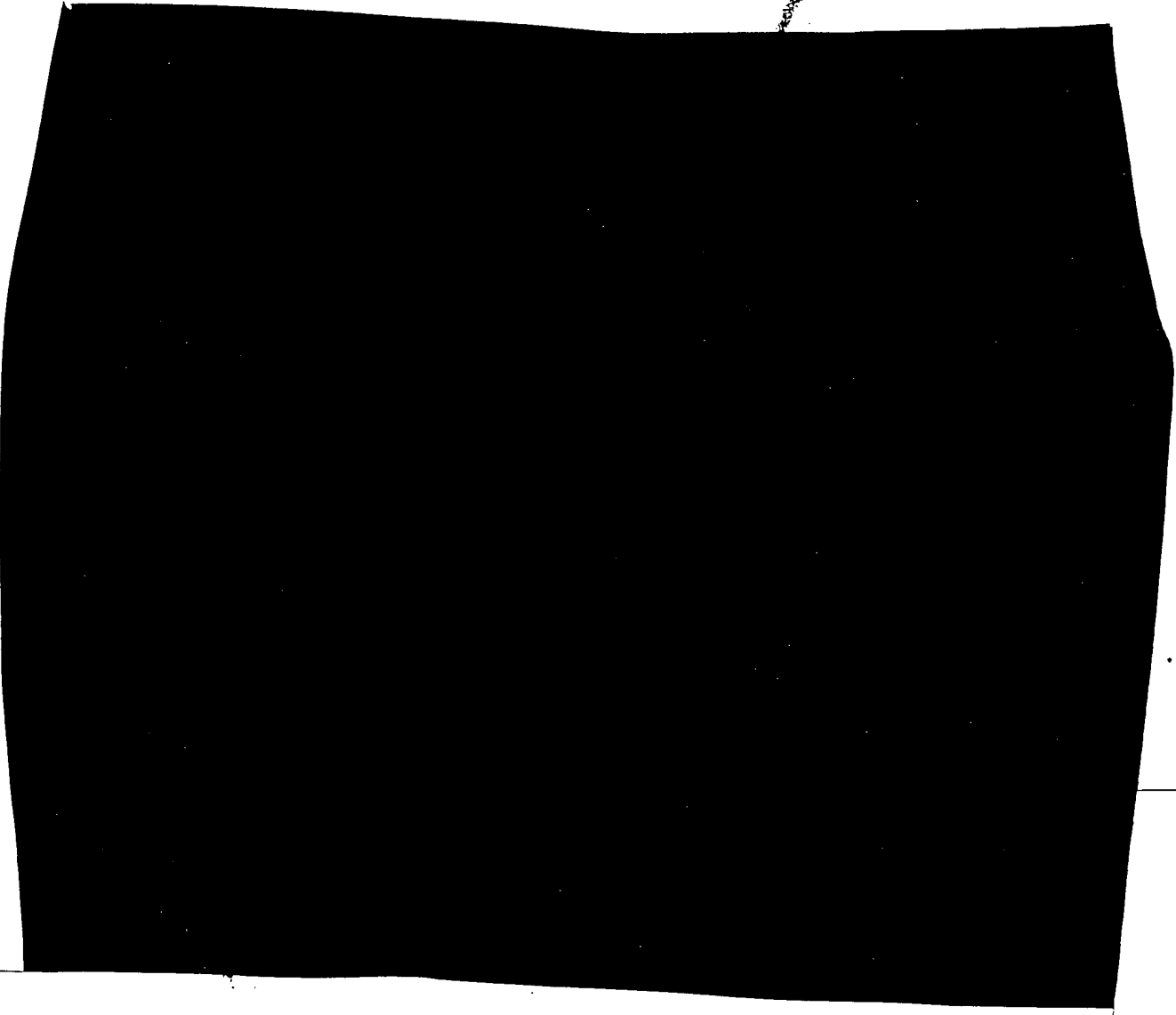
10 May 1988

b (3)

b (1) b (3)

~~Top Secret~~

b (3)



b (3)

~~Top Secret~~

19 May 1988

~~Top Secret~~

b (3)

b1
b3



~~Top Secret~~

b (3)

10 May 1983

~~Top Secret~~

b (3)

BELGIUM:

New Government Faces Severe Problems

Prime Minister Martens's new center-left five-party coalition will not last long unless it can solve a thorny linguistic dispute and reconcile economic policy differences. b (3)

Martens has ended Belgium's longest postwar political crisis by agreeing to head a center-left coalition—provided that it works to reform the constitution and continue economic austerity policies.

b (3)

b (3)

Martens's first and most difficult task will be to enact constitutional reform that would devolve more responsibility to the regions—probably the only long-term solution to Belgium's linguistic frictions. Although the new government has the two-thirds majority needed for such reform, there is a good chance that discontented Francophone party members may conclude that Francophone interests have been compromised and may undercut their leaders by opposing it. Furthermore, the coalition accord merely papers over the bitter linguistic dispute in one town that brought down the previous government, and this conflict will probably resurface before long.

b (3)

Although a new budget is a priority—the government this year has been operating on monthly continuing resolutions—differences may soon arise among the five parties. Martens is committed to reducing the high budget deficit, but the Socialists may disagree on tax reduction and social welfare policy despite their agreement in principle.

b (3)

The Flemish Socialists and Flemish Nationalists have opposed Belgium's naval deployment in the Persian Gulf and nuclear force modernization, and they have advocated cuts in defense spending, but the appointment of Leo Tindemans as Foreign Minister and Guy Coeme as Defense Minister leaves these parties little influence. Similarly, the poor state of the Belgian economy probably precludes higher defense spending, but the Francophone Socialists—who support NATO and the deployment in the Gulf—will probably block cuts that would hurt defense industries in Wallonia:

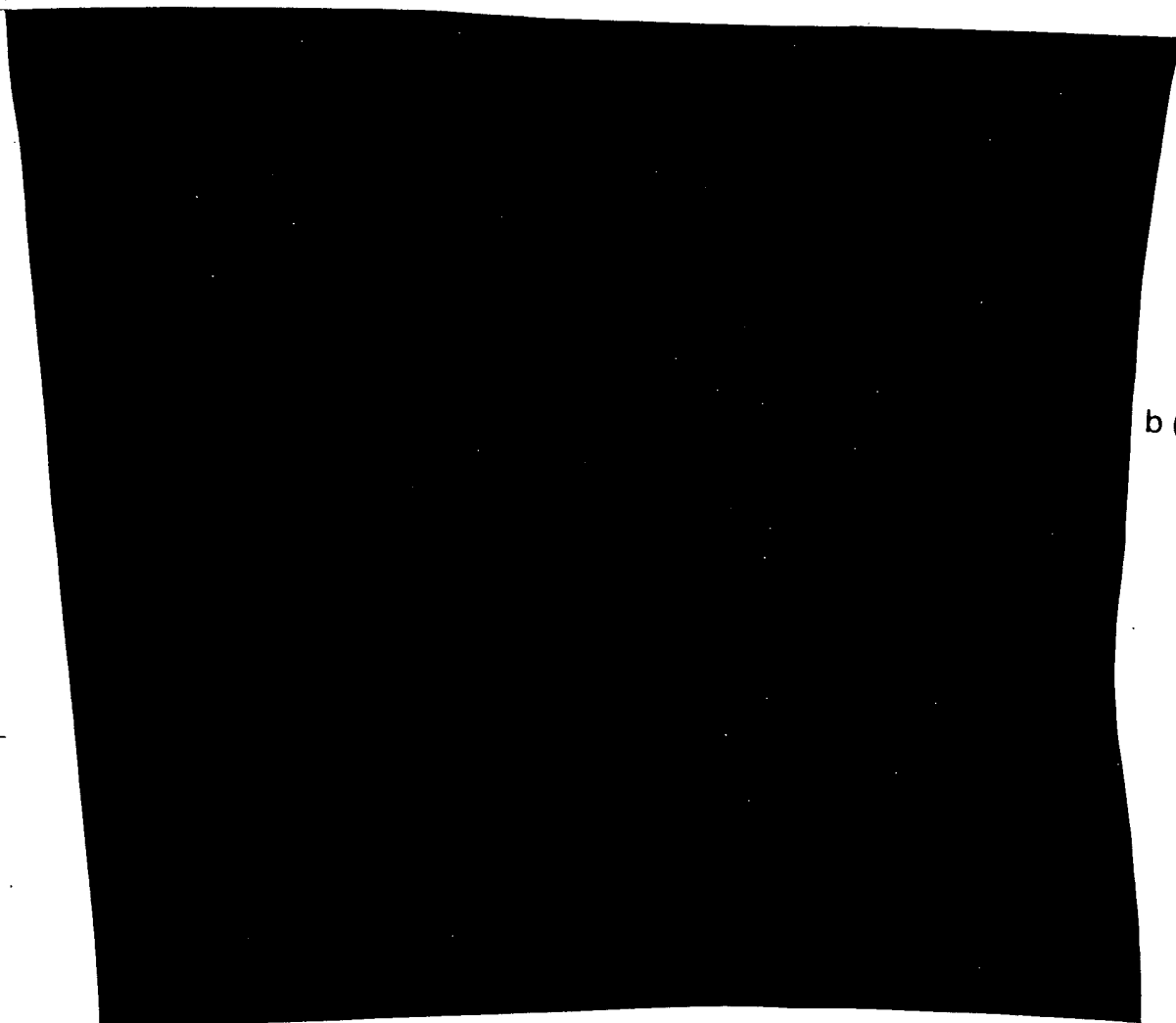
— Nevertheless, a developing consensus between right and left on security issues will make the government unlikely to support nuclear force modernization actively and may lead it to be more vocal in pressing for East-West talks on short-range nuclear forces.

b (3)

~~Top Secret~~

b (3)

~~Top Secret~~ b (3)



b (1) b (3)

~~Top Secret~~ b (3)
17 May 1988

63

~~Top Secret~~

b (3)

b (1) b (3)



b (1) b (3)

~~Top Secret~~

b (3)

18 May 1988

~~Top Secret~~

b (3)

b1
b3

b (1) b (3)

b1
b3

b (1) b (3)

~~Top Secret~~

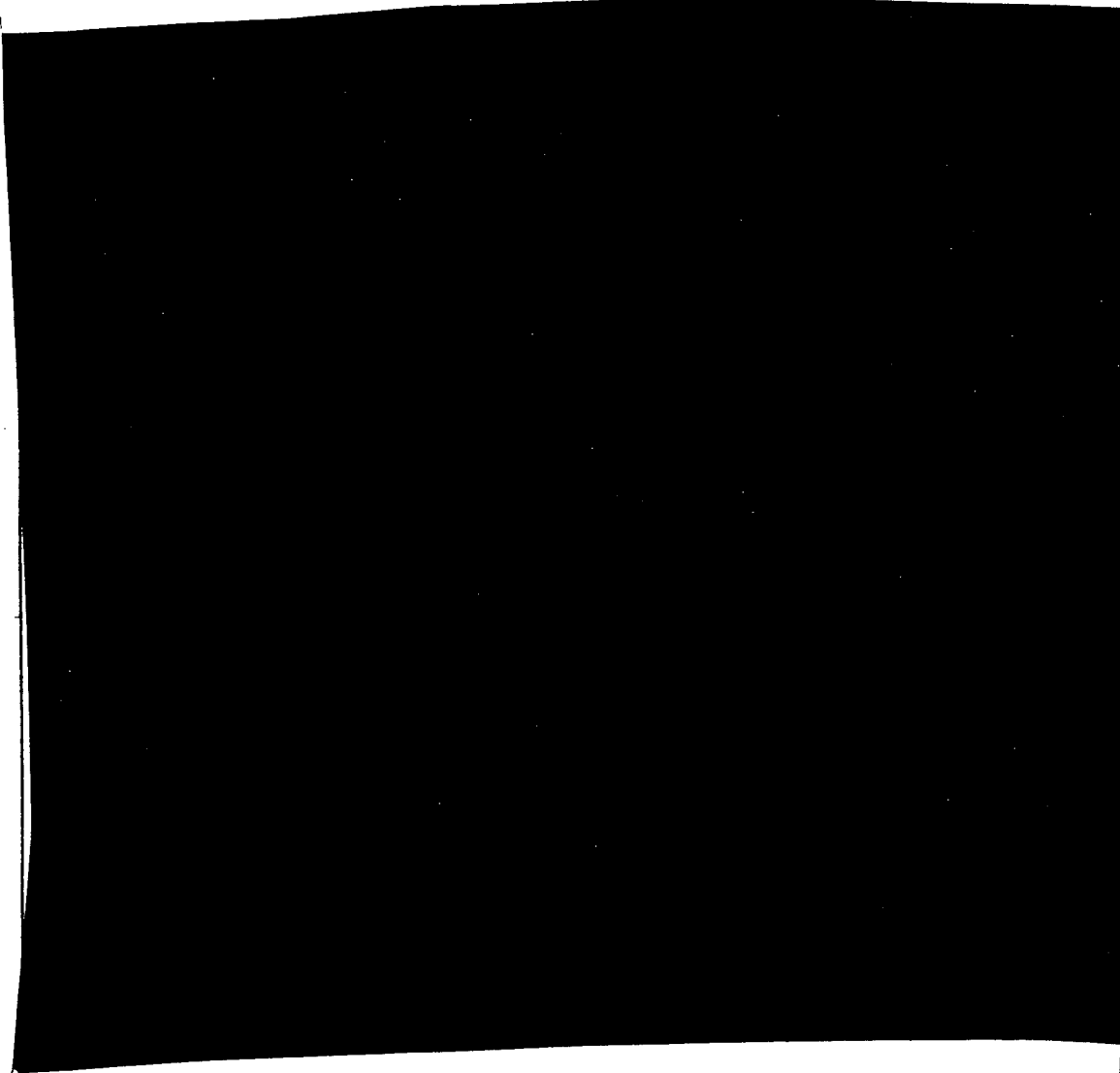
10 May 1988

b (3)

~~Top Secret~~

b (3)

b (1) b (3)



b1
b3

~~Top Secret~~

May 1988

b (3)

~~Top Secret~~

b (3)

b1,
b3

TAIWAN-USSR-VIETNAM: Taipei Considering Direct Trade

Taiwan's Minister of Economic Affairs Li Ta-hai has indicated that Taipei is considering allowing direct trade with the USSR and Vietnam. [REDACTED] Taiwan has gradually liberalized trade restrictions with East European nations, culminating in March with a decision that private traders from Taiwan and East European nations may open trade offices. [REDACTED]

b (3)

b (3)

b (3)

[REDACTED] Taipei's decision is, in part, a response to growing pressure from local businessmen for increased trade with the USSR and China. It is also consistent with Taiwan's attempts to diversify its export markets. Moscow may be too sensitive to Beijing's reaction to approve direct trade, but it probably will continue to encourage indirect transactions. Taipei—in order to avoid increased pressure from Beijing for direct trade—will continue to draw a fine line between "private" and "official" trade relations with other Communist countries. [REDACTED]

b (3)

b (3)

~~Top Secret~~

16 May 1988

~~Top Secret~~

b (3)

61
b3

CZECHOSLOVAKIA: Inching Toward Social Liberalization

The Czechoslovak regime is following through on promises to ease restrictions on private travel to the West. [REDACTED]

[REDACTED] The government is permitting more single people and whole families, rarely allowed to travel before, to apply for Western visas. Further liberalization is reportedly planned, including "decriminalization" of those who have emigrated illegally. Premier Strougal also pledged recently that the government would import more and export less to make more consumer goods available. [REDACTED] b (3)

[REDACTED] Prague probably hopes it can lift public morale and gain better press treatment in the West by catering to popular wishes on travel and consumer supplies. The regime probably also hopes these inducements will persuade workers to accept measures to improve productivity—including tighter labor discipline and linking bonuses to production. The regime's refusal to allow political liberalization, however, is likely to preclude much support for economic restructuring. These small steps, therefore, may increase political tension by encouraging people to push for more concessions. [REDACTED]

b (3)

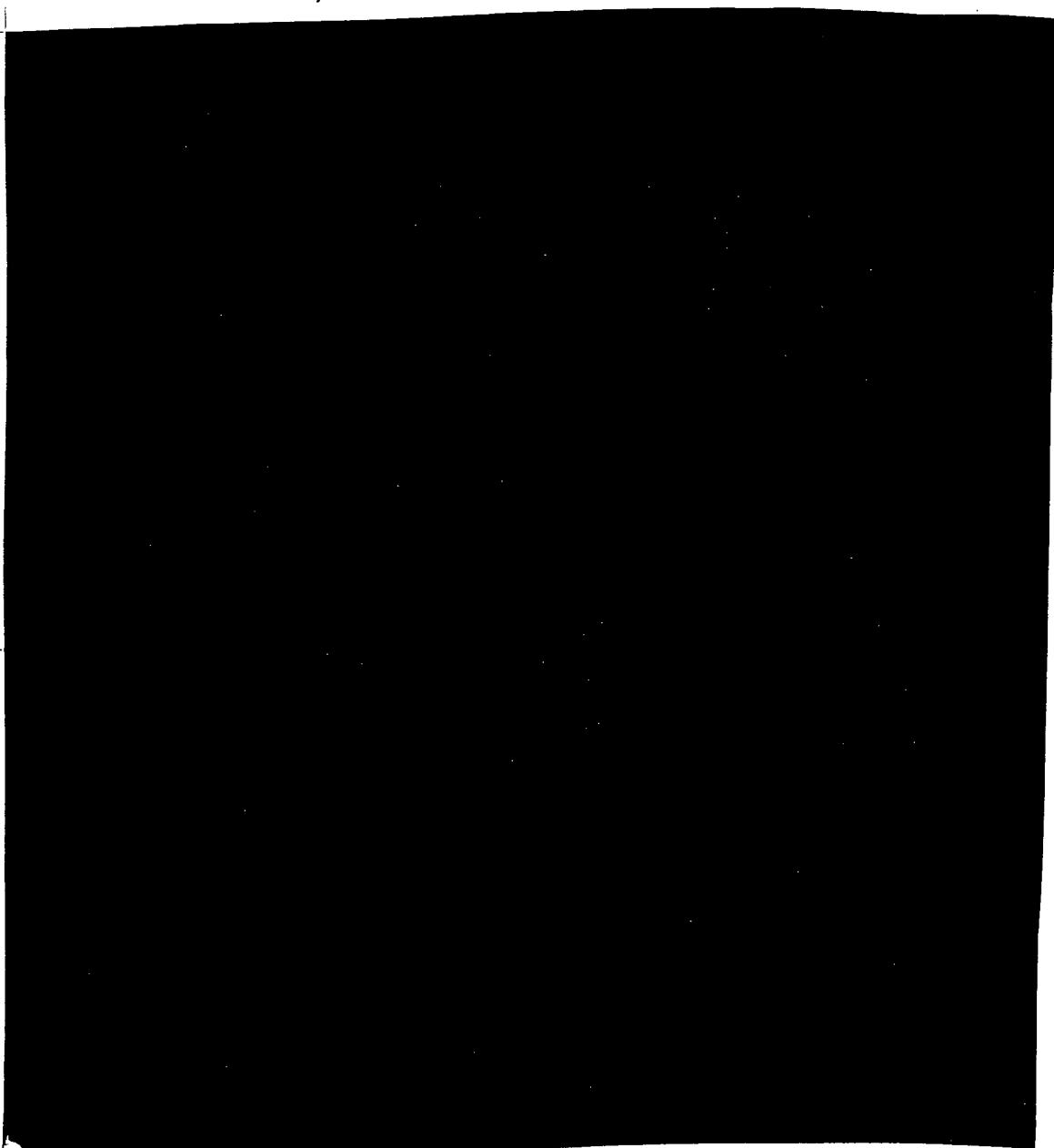
~~Top Secret~~

b (3)

~~Top Secret~~

b (3)

b (1) b (3)



b1,
b3

~~Top Secret~~

1 May 1988

b (3)

~~Top Secret~~

b (3)

In Brief

B1, b3

- Second week of ethnic riots in Karachi, Pakistan . . . government says 26 dead, more than 100 injured, worst since 1986 . . . violence likely to subside soon, but government lacks resources to deal with deep-seated conflict. ~~_____~~ b3
- Afghan leader Najibullah to attend UN disarmament conference in New York next month . . . seeking international recognition, as in state visit to India last week . . . insurgents will see visit as further evidence of UN's pro-Soviet bias. ~~_____~~ b3

Americas

- Press reports short, orderly lines yesterday after Panamanian banks reopened for limited cash withdrawals . . . ~~_____~~ b (1) b (3) b3
~~_____~~ Banking Commission may approve further relaxation of withdrawal restrictions as early as Thursday. ~~_____~~

Middle East

B1, b3

~~_____~~
~~_____~~
~~_____~~

b (1) b (3)
b (3)

East Asia

B1, b3

~~_____~~
~~_____~~

b (1) b (3)

b (1) b (3)

b (1) b (3)

~~Top Secret~~

b (3)

10 May 1988

~~Top Secret~~

b (3)

b (1) b (3)

~~Top Secret~~

b (3)

10 May 1988

~~Top Secret~~

b (3)

Special Analysis

USSR:

Impact of Leadership Turmoil on Summit

This month's US-Soviet summit will take place during one of the most politically volatile periods in recent Soviet history. There is no evidence that differences in the leadership over policy toward the US are prominent in the current turmoil, but the Soviet political climate will undoubtedly affect the meeting. Mikhail Gorbachev's position in the leadership appears stronger now than at the time of the last summit.

b (1) b (3)

Gorbachev nonetheless is likely to stick to negotiating positions worked out in the leadership, as he did in Washington, and avoid moves that might complicate his domestic political situation.

b (3)

b (3)

the recent tensions in the leadership have centered on domestic issues, most notably the limits of *glasnost* and "democratization" in the restructuring of the political system. The All-Union Party Conference late next month is to focus on these issues, and its approach is intensifying the current turmoil.

b (3)

Gorbachev and his allies apparently have the upper hand for the moment in a struggle with party conservatives led by "Second Secretary" Ligachev. Although the party conservatives are clearly on the defensive, they are still powerful and can complicate Gorbachev's pursuit of many policy goals, including those that affect relations with the US. In general, the leaders most closely identified with conservative domestic policies are also those most skeptical of Gorbachev's foreign policy initiatives. The General Secretary may have been preempting attacks from them when he harshly attacked President Reagan's statements during his meeting with Secretary Shultz last month.

b (3)

Benefits and Risks

Gorbachev's main domestic political objective at the summit will be to build support for his leadership of the party. With the possible exception of the Reykjavik summit, where Gorbachev's freewheeling negotiating style raised concerns in Moscow, his meetings with President Reagan have generally served this function, showing him negotiating as an equal with the President and enhancing the international stature of the USSR. Gorbachev's performance in the US even appeared to regain for him some of the ground lost. He probably judged even before the current leadership struggle broke out that a summit just before the party conference would benefit him domestically.

b (3)

b (3)

b (3)

continued

b (3)

~~Top Secret~~

10 May 1988

~~Top Secret~~

b (3)

Gorbachev seeks public support for his programs to a degree unprecedented for a Soviet leader. He will want to convince the Soviet populace that the Moscow summit is a success and that he paid no more than a reasonable price. Even under normal political conditions, he would be careful not to give his opponents a chance to accuse him of caving in to US pressure or jeopardizing Soviet security. This concern may be heightened by the fact that some Soviets questioned the fairness of the INF agreement. [REDACTED]

b (3)

The highly charged political atmosphere in Moscow may make him even less inclined toward controversial moves on arms control that would alienate key groups. He may be more conciliatory on human rights issues, because human rights improvements are consistent with his domestic reform agenda. [REDACTED]

b (3)

Outlook

The odds are somewhat better than even that the leadership turmoil will not determine Gorbachev's basic approach to the summit. Nevertheless, the Soviet leader appears to be in the biggest fight of his political life, and events are highly unpredictable. [REDACTED]

b (3)

There appears to be a consensus in the leadership that the positive trends in US-Soviet relations should be maintained wherever possible and that reducing East-West tensions serves Soviet interests. Gorbachev will want to show himself as a tough-minded protector of Soviet interests, but he will also want this to be seen as a successful summit that will keep bilateral relations on track into the next US administration. He may react strongly in public to any appearance of US pressure, while seeming conciliatory in private. [REDACTED]

b (3)

Gorbachev will be anxious to play up his status as a world leader whose presence at the helm enhances the prestige and influence of the USSR. Any such public relations benefits, however, will be temporary and unlikely to sway party conservatives toward supporting his domestic reform agenda, much of which directly threatens their political interests. [REDACTED]

b (3)

Gorbachev may try to remove Ligachev from the Politburo or kick him upstairs to replace Andrey Gromyko as head of the Supreme Soviet before the summit. The Supreme Soviet is to convene on 24 May, and it reportedly will be preceded by a Central Committee plenum, which is the appropriate venue to make such personnel moves. Either move would strengthen Gorbachev politically and could give him more flexibility in negotiating with the US, but the overall effect on bilateral relations in the short term would be marginal at best. His primary motivation for moving against Ligachev would be to improve the prospects for his domestic reform agenda. [REDACTED]

b (3)

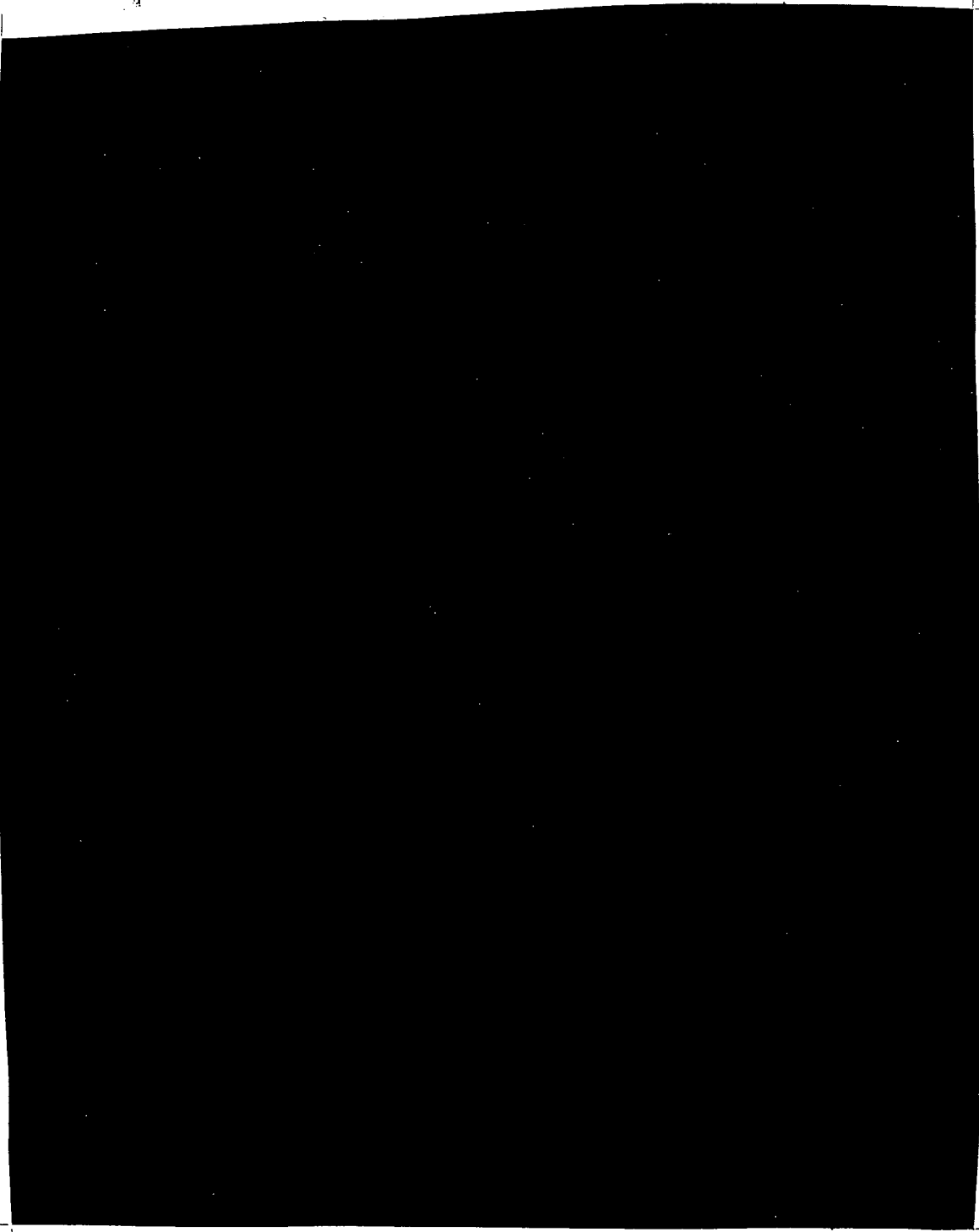
~~Top Secret~~

b (3)

10 May 1988

~~Top Secret~~

b (3)



B2,
b3

~~Top Secret~~

b (3)

May 1988

~~Top Secret~~

b (3)

Special Analysis

LEBANON:

Implications of Shia Fighting in Beirut

The pro-Iranian Shia militia, Hizballah, appears to have gained the upper hand over its Syrian-backed Shia rival, Amal, during intense fighting over the weekend in West Beirut. Neither side has a decisive edge, however. Syrian forces do not yet appear ready to intervene. b3

The fighting seems to have begun Friday when three Amal militiamen were killed at a Hizballah checkpoint in West Beirut. The fighting spread quickly through the Shia neighborhoods of the southern suburbs, evidently outstripping the ability of Amal and Hizballah leaders to control it:

- Amal's successful moves against Hizballah in southern Lebanon last month created a tense climate in which the early clashes were seen as opening salvos in a larger confrontation.
- The clashes gave street fighters on both sides—particularly those who had lost relatives in the April fighting between Amal and Hizballah in southern Lebanon—an opportunity for revenge. b3

The fighting this past weekend generally favored Hizballah.

b1, b3



Goals in the Fighting

Both sides are spurred by last month's fighting in southern Lebanon. Hizballah hopes to settle a score with Amal by demonstrating that it holds the balance of power in the Shia areas of West Beirut. Early in the fighting, Amal apparently was trying to repeat in Beirut what it gained in the south. Amal leader Nabih Barri now probably seeks to avoid a loss that will undercut the prestige Amal gained from last month's victories. b3

Both sides appear more interested in propagandizing their cases than in achieving a quick end to the fighting. Barri has charged Hizballah with turning southern Beirut into a den of terrorism. A Hizballah communique accused Barri of selling himself to the devil and of trying ~~to liquidate the Islamic resistance~~ to liquidate the Islamic resistance. b3

b (3)

continued.

~~Top Secret~~

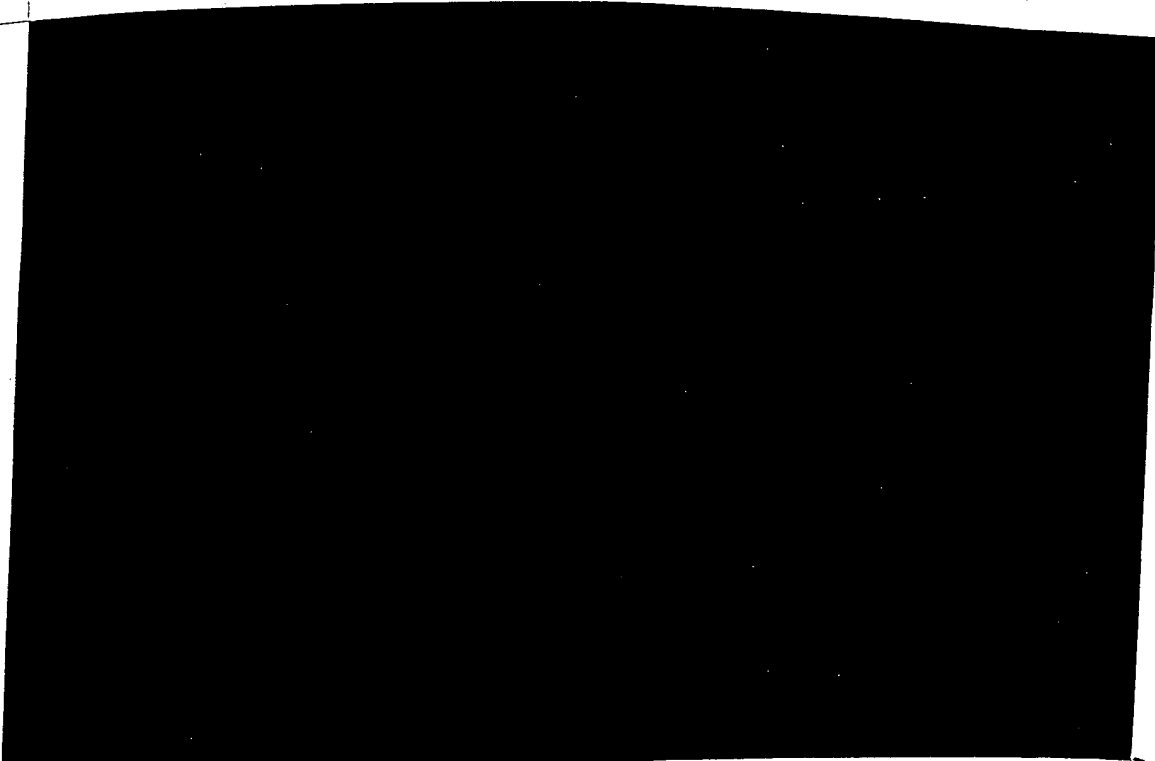
b (3)

10 May 1988

b (3)

~~Top Secret~~

4
63



b (3)

~~Top Secret~~

10 May 1988

b (3)

In February 1987 the Syrians intervened with several thousand troops to prevent a decisive defeat of Amal by West Beirut militias in widespread street fighting. So far this time, Damascus has been instrumental in arranging the short-lived cease-fires that have punctuated the current fighting and in indirectly supporting Amal. Press statements from senior Syrian officials in Beirut indicate Syrian patience with the fighting is wearing thin; if Amal and Hizballah cannot end the fighting, Syria may be forced to restore order. [REDACTED] b (3)

Syria has several thousand soldiers in West Beirut, and many more located nearby. [REDACTED]

Syrian intervention in the fighting would be highly provocative, and its consequences unpredictable. In 1987 the Syrians negotiated with Hizballah the terms of their deployment near the Shia neighborhoods of southern Beirut. The Syrians made veiled threats that Damascus was prepared to restore order to all of West Beirut; the fundamentalists countered that they could make a Syrian presence in their areas costly. ~~XXXXXX~~ b (3)

Tehran recognizes that Hizballah's success may provoke Syrian military intervention, and Iranian officials have played a prominent role trying to mediate between the two groups. [REDACTED]

There is some danger that conflict could spill over into friction between Syria and Iran. In the past, Iran has lobbied Damascus on behalf of Hizballah, and the Syrians have defended Amal's interests.

The Western hostages probably are still in the southern suburbs, and it is unlikely that they will be moved out. They are at risk already, and the danger to them will rise if the clashes intensify or Syria intervenes.

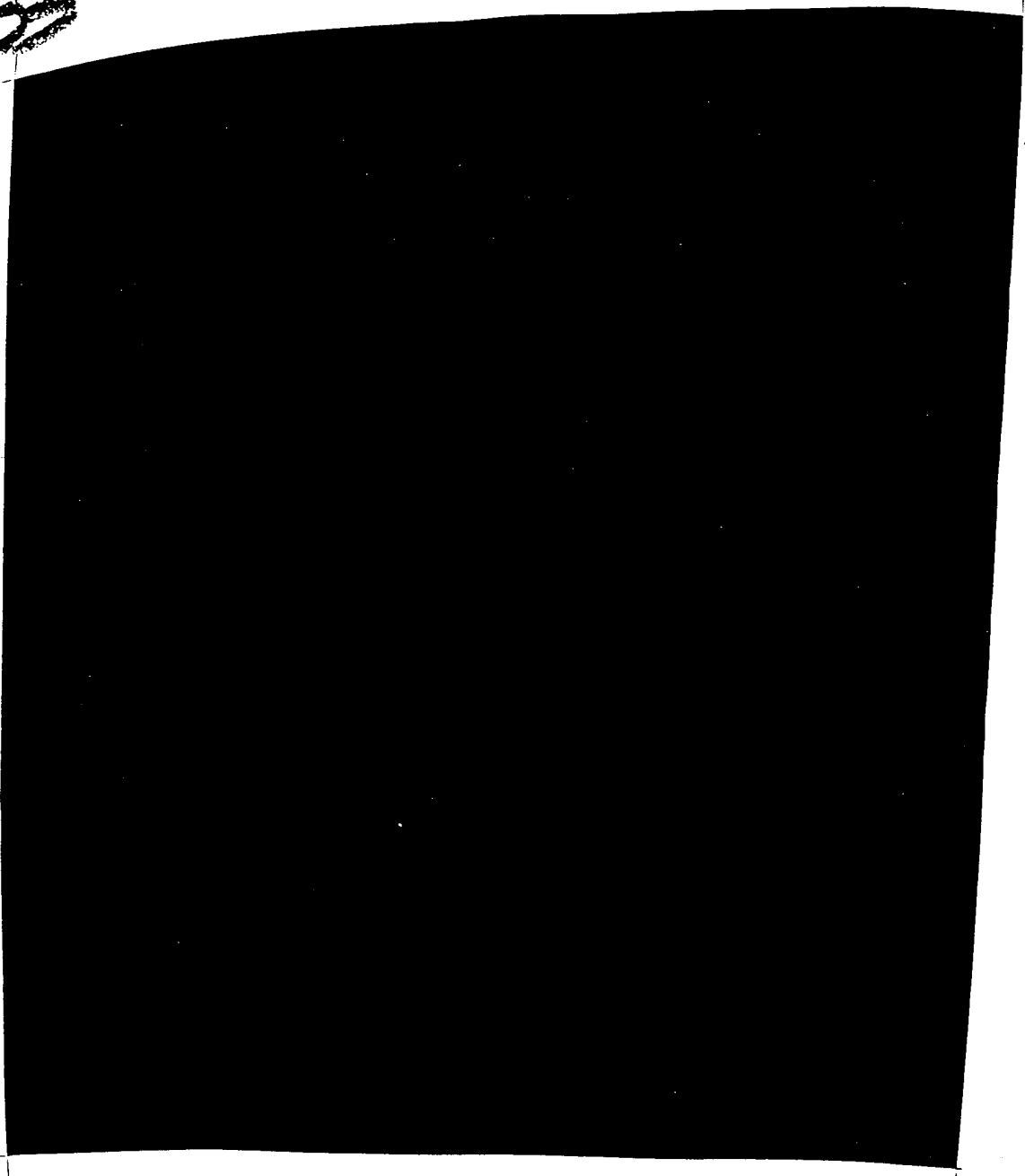
b (3)

10 May 1988

~~Top Secret~~

b (3)

~~15~~



b (1) b (3)

~~Top Secret~~

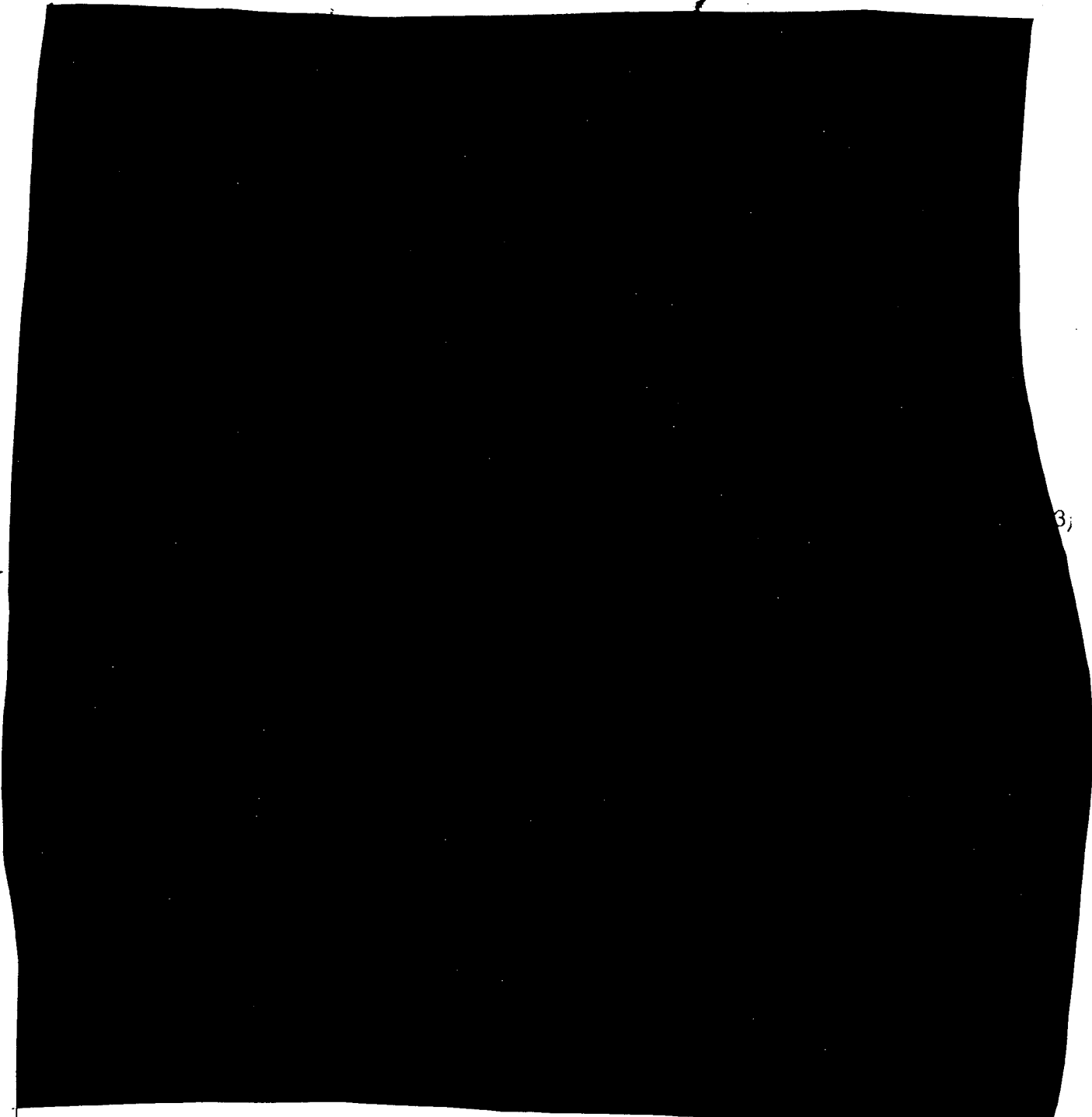
b (3)

10 May 1988

b(1) b(3)

~~Top Secret~~

b(3)



3;

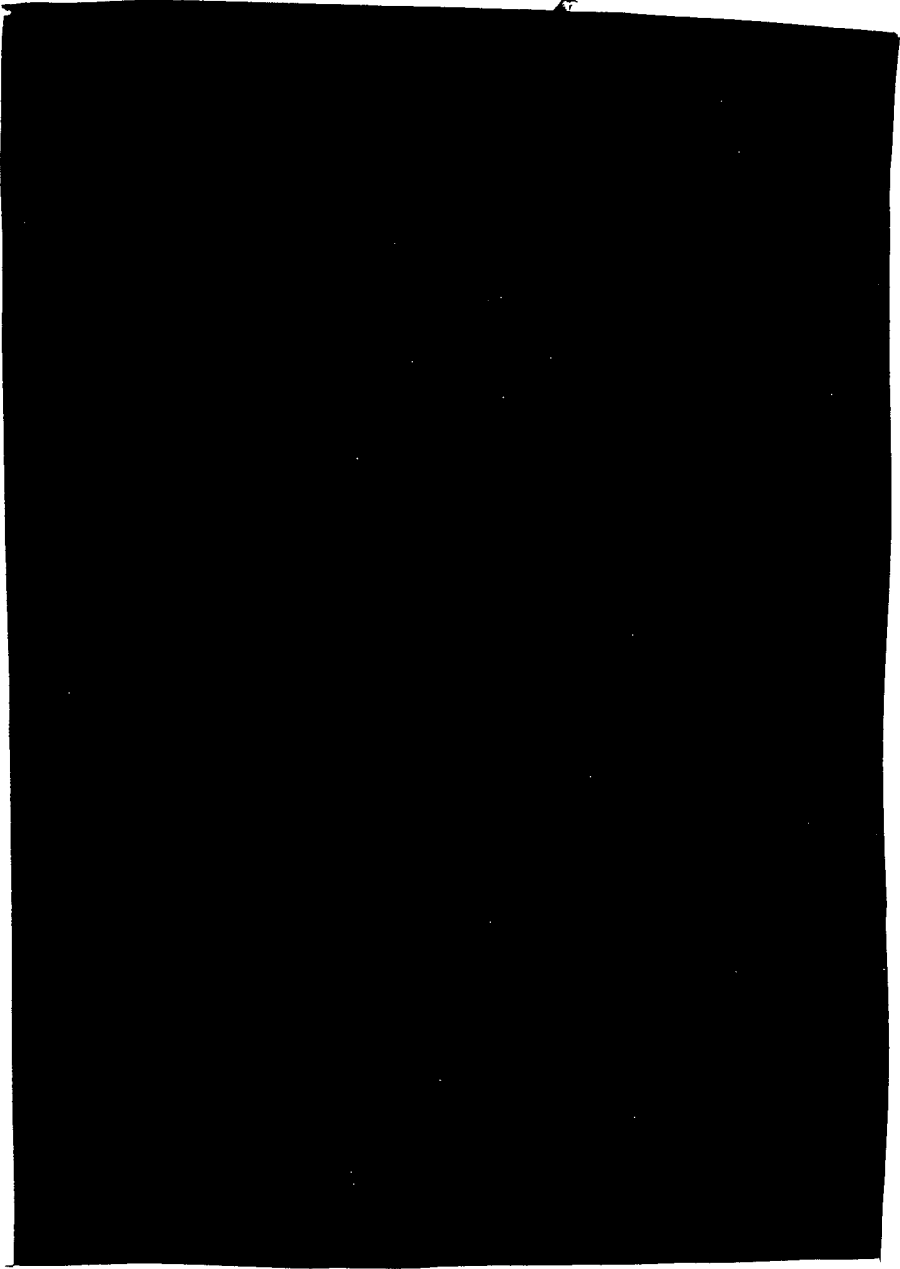
~~Top Secret~~

b(3)

10 May 1988

~~Top Secret~~ b (3)

b1, b3



b (3)

~~Top Secret~~

30 May 1988